



STATE OF MONTANA
DEPARTMENT OF ADMINISTRATION
INFORMATION TECHNOLOGY SERVICES DIVISION



Brian Schweitzer
Governor

State Of Montana

Agency Biennial Report

FOR FY2010

S T A T E O F M O N T A N A

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INFORMATION TECHNOLOGY SERVICES DIVISION

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EXECUTIVE SUMMARY

The Montana Department of Labor and Industry's (DLI) mission is to promote the well-being and opportunities of Montana's workers, employers, and citizens.

We continue to strive to meet customer expectations for reliable and timely delivery of quality services and information while implementing change and services to increase cost effectiveness through the following goals and objectives:

1) Develop IT Staff

- i) Prepare Individual Staff Development Plans
- ii) Ensure IT Workforce has Appropriate Access to Training
- iii) Develop Retention and Succession Plans
- iv) Develop IT Career Ladders

2) Use IT Effectively

- i) Provide IT Solutions
- ii) Provide Value to Customers
- iii) Use Teams and Partnerships

3) Promote IT Security, Privacy, and Recovery Efforts

- i) Ensure IT System and Application Security
- ii) Maintain and look for opportunities to improve the Information Technology Disaster Recovery Plan

The department consolidated the network and desktop technical support staff in January 2009. This effort is assisting the department in gaining cost efficiencies by using technology solutions to share hardware in the virtual server environment, develop technical staff into teams, and promote cross training. Technical staff are working with the Office of Human Resources to gather the requirements for the development of the Employee Development module for the Performance Appraisal System.

The department provides value to our customers, like the unemployed participants, by applying enhancements and improvements to the unemployment insurance benefits system (MISTICS), meeting or surpassing the federal requirements and implementation timeframes; to contractors by streamlining the process for annual registration and implementing electronic documentation to reduce the need for contractors to submit duplicate compliance proof; to workers compensation customers by automating electronic data exchange and providing secure, on-line data to the insurance carriers. The department has focused on the unemployment insurance program to meet federal guidelines for providing security to the data and application, reviewing and updating the disaster recovery plan, and scheduling tabletop exercises to test the plan. The department has completed the analysis of the licensing boards to standardize business processes between boards, workflow, and on-line public services.

One initiative from the 2008 Agency IT Plan is substantially completed (funded), one is on-going (funded), one is on-going (not funded), and one is deferred/cancelled (not funded).

SECTION 1: AGENCY IT PLAN ACCOMPLISHMENTS – GOALS & OBJECTIVES

1.1 Goals

Goal Number 1: (taken from 2008 plan and 2009 update)

ITG 1 Develop Information Technology Staff

Description: DLI will improve the expertise of our IT workforce by achieving efficient, motivated, and well-trained employees with the knowledge, skills, abilities, and competencies to meet our current and future information technology challenges.

Benefits: What benefits are realized and who realizes the benefits?

This will allow DLI to maintain a skilled and properly staffed IT workforce which benefits our department customers. To reduce costs by completing internally developed, to quickly leverage new technologies to provide better services to the citizens of Montana. Incentive to keep employees in our workforce through advanced training opportunities.

Which state strategic goal(s) and/or objective(s) does your goal address? Goal 1

Supporting Objective/Action

ITO 1-1 Prepare Individual Staff Development Plans

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

After the agency consolidated the network and desktop staff in January 2009, this new unit has completed an assessment of current technology needs for the department and compared that to the current technology skills of the technicians. Training was provided to technicians to assist with 'keeping current' in technology. Roles and responsibilities are fleshing out as the unit continues to change to provide department-wide support to gain cost efficiencies in the use of centralized management tools for the network and desktop infrastructure. The infrastructure is undergoing changes to support the new role and responsibilities.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Supporting Objective/Action

ITO 1-2 Ensure IT Workforce has Appropriate Access To Training

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

With the consolidation of network and desktop support technicians, the department allocated a training budget that allows staff to attend at least 2 weeks of training per year. This is a great improvement since in prior years; some divisions had training budgets while others did not have any funds allocated to training. The department utilizes CBTs, on-line materials, and cross-training as alternatives to formal training in order to use the budget effectively and efficiently. Department programmers work with contractors to cross train while completing enhancements and records all training hours. Department programmers work with contractors to cross-train while completing enhancements and records all training hours.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Supporting Objective/Action

ITO 1-3 Develop Retention and Succession Plans

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

Retention planning is accomplished via the department's Human Resources Office. This Office negotiates rates for the union. The rate structure is distributed fairly across the department. The Office is in the development phase of succession planning. This plan will become the next phase of the department's Performance System with the module called Employee Development. Automation has begun with the mock-up based on requirements. Once the stake holders sign off on the requirements, automation development will begin to integrate the new module with the existing PA system.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Supporting Objective/Action

ITO 1-4 Develop IT Career Ladders

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

This is delayed due to funding, negotiations, and department consolidation within IT.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): Delayed

Goal Number 2: (taken from 2008 plan and 2009 update)

ITG 2 Use IT Effectively

Description: DLI will use IT effectively to improve government services, promote the well being of Montana's workers, employers, and citizens, and uphold their rights and responsibilities.

Benefits: What benefits are realized and who realizes the benefits?

Citizens

State Employees

Economies of scale achieved through streamlining operations (virtualization of servers and desktops) and taking advantage of technology (self-service through e-Government services, MITA compliance, and Enterprise Licensing)

Which state strategic goal(s) and/or objective(s) does your goal address? Goal 1 and Goal 2

Supporting Objective/Action

ITO 2-1 Provide IT Solutions

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

Implemented the use of Scrum project management and Agile software development methodologies for developing projects where there is a small user team to divide the technology efforts into analysis, design,

and programming. The Scrum framework sets practices that keeps everyone on task, knows exactly what is going on daily, and allows on-the-spot adjustments to keep the project moving toward the desired goal. This methodology has been used successfully to develop:

Carrier Management – This program is used to manage the insurance carriers writing workers' compensation coverage in Montana.

POC – Proof of Coverage – This application provides an electronic means for Montana workers' compensation coverage insurers to send and receive information according to the IAIABC POC version 2.1. This application receives and displays policy data.

SIF – Subsequent Injury Fund - The system reports people who meet the definition of permanent impairment by law.

Arbitration – The board of appeals, as a regular part of its statutory obligation, maintains a roster of qualified arbitrators to hear disputes arising out of the collective bargaining agreement interpretation in the public sector of the State of Montana, political subdivisions of the state, and school districts. The system allows people to do on-line registration and place resumes for approval.

EPC – Electronic Prior Claims – Access for insurers, the Governor's advocate office, or law enforcement agencies to current and prior workers' compensation claim information.

IC/CR Scanning – Convert hard copy ICEC (Independent Contractor Exemption Certificate) and CR (Contractor Registration) files to scanned images.

Human Rights Scanning – Convert hard copy case files to scanned images.

Message Way – Tracks EDI transmission through Oracle functions and procedures.

WorkSafeMT web site – This site was developed to educate the community about Work Safe in Montana.

Continue to use the model for UI updates. This has effectively allowed the department to address and implement changes to our unemployment insurance benefits system (MISTICS) to achieve or surpass implementation due dates mandated by Federal US DOL and Congress.

Completed analysis of licensing boards for standardization of the business processes to gain economies of scale between boards, workflow, and provide additional services to the public via the web. This analysis has led to the next phase of development of a new comprehensive, integrated system where database consolidation will return efficiencies in cost, development of workflow, reports, and public facing data.

Continuing to enhance MWorks to include other legacy systems and complete federal reporting requirements for Workforce Services.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Supporting Objective/Action

ITO 2-2 Provide Value to Customers

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

Implemented extremely complex unemployment insurance legislation on time so claimants can utilize new benefits adopted by Congress.

Converted and integrated legacy systems into a single, on-line application for Workforce Services.

Automated processes for many manual functions like EPC, POC, and Message Way.

Provision for additional web services to our customers and the public.

Enhanced MWorks to import job central jobs to provide job seekers with a larger selection of jobs.

Uphold public policy as it relates to employment relationships, workers' compensation, unemployment insurance, illegal discrimination, safety, and health. We provide the highest level of customer satisfaction by listening and responding to the needs of our customers. We conduct timely impartial investigations of charges of illegal discrimination under state and federal law by ensuring appropriate filing with statutory timelines and jurisdiction of applicable state and federal discrimination statutes. Issue initial determinations on Wage and Hour complaints in a timely and efficient manner. Assist employers in complying with workplace safety and health standards, and provide timely monitoring and regulatory services for the workers' compensation industry and claimants.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Supporting Objective/Action

ITO 2-3 Use Teams and Partnerships

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50 %):

Data sharing partnerships are in place to exchange data among Unemployment Insurance, Workforce Services, Research & Analysis, Employment Relations, and Business Standards. Data is exchanged in an automated fashion via database links, flat files, and reports.

Data is also exchanged with other state agencies, such as the Departments of Administration, Corrections, Fish, Wildlife, and Parks, Justice, Public Health & Human Services, Revenue, Board of Regents, and State Fund. Additionally, data is shared with agencies external to State government, such as Housing & Urban Development, Internal Revenue Service, Social Security Administration, USDA Rural Development, and various tribes.

Teams within the department have worked together to bring a department focus to all staff.

We work together to maintain a relationship of open communication, mutual appreciation, and respect. We develop comprehensive Internet-based services, and provide information and technical assistance for the medical community, insurers, adjusters, employers, workers, and the general public. We provide technical assistance and educational outreach to businesses, advocacy groups, and interested citizens.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Goal Number 3: (taken from 2008 plan and 2009 update)

ITG 3 Promote IT Security, Privacy, and Recovery Efforts

Description: DLI will adopt secure architectures and mitigate security and privacy risks to its systems, infrastructure, and data, and will protect confidential data from accidental disclosure, theft, and destruction.

Benefits: What benefits are realized and who realizes the benefits?

Protects the privacy of all customers and assures confidentiality of IT information.

Which state strategic goal(s) and/or objective(s) does your goal address? Goal 4

Supporting Objective/Action

ITO 3-1 Ensure IT System and Application Security

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

Reprovisioned one network administration/security officer to the single role of security officer. This position will assist in developing the procedures, guidelines, and policy for the newly adopted NIST standards. This position is a member of the Enterprise Security Group and works in conjunction with that group.

Unemployment Insurance has implemented a system that integrates with their MISTICS application to provide security access to the system via roles. This system segregates the network administration duties from the UI security officer. UI's security officer provides oversight to UI's MISTICS application, data sharing agreements, and reports.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

Supporting Objective/Action

ITO 3-2 Maintain and look for opportunities to improve the Information Technology Disaster Recovery Plan

Accomplishments (describe what the agency has done to achieve this objective, list percentage of accomplishment e.g. 50%):

The new security officer position in the Office of Information Technology (OIT) will develop a plan to keep the department's disaster plan current. In the past, this was accomplished by hiring a contractor, and only if there was funding to do so.

UID and OIT have scheduled a table-top review of the disaster recovery plan for UI and the networking function for OIT for November 2010.

UID has a dedicated security officer with an annual plan to keep their portion of the department's disaster recovery plan updated. The plan is current as of August 2010.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): On-going

SECTION 2: IT INITIATIVES STATUS UPDATE

2.1 IT Initiatives (*Taken from 2008 plan and 2009 update*)

Initiative 1 - Title: UI Tax Modernization

Description: The current Unemployment Insurance Tax System (UIT) was revived in SFY2005 when the Unemployment Insurance Tax program was moved back to the Department of Labor & Industry after the POINTS project was terminated. This system uses old technology (mainframe-based COBOL, CICS, and VSAM), and computer programmers with this type of expertise to support this system are either difficult to find or unwilling to work for the wages the state is able to pay. In the second half of 2008, a feasibility study was conducted on the possibility of replacing or enhancing the current UIT system. The study recommended replacing the UIT system with a framework-based system utilizing current architectures and technology. The 2009 Legislative Session authorized (via HB 10) expenditure of up to \$19,735,567. This includes 6 modified FTE to be dedicated solely to this project.

FTE Requested – 6.00 Modified

Amount Requested: \$15 - 20 million Biennial Request

EPP Number (if applicable): Not yet assigned.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going): Deferred/cancelled.

Funding (funded, not funded, or partially funded): Not funded.

Initiative 2 - Title: Department IT Security

Description:

Existing department staff will provide Information Security Officer duties within the newly organized Office of Technical Services, including:

- Management and use of effective security measures and technical solutions to protect data and ensure proper conduct of personnel in relation to the protection of data.
- Development and implementation of practical and achievable policies and practices for the protection of business information regardless of media or delivery mechanism.
- Compliance with regulatory requirements and security best practices as defined by industry experts.
- Provide leadership to existing divisional security staff and act as the liaison to the Enterprise IT security team.

The reorganization of staff will require additional training to provide a proactive response to IT security on a day-to-day basis but will save the department in FTE expenses by the restructuring of staff and duties.

EPP Number (if applicable): NA

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going):

On-going. Reprovisioned one network administrator to Security Officer; working with Enterprise Security Group to develop enterprise and department security program.

Funding (funded, not funded, or partially funded): Not funded.

Initiative 3 - Title: Building Standards System

Description: This system is being designed to provide business and technical services related to a comprehensive statewide data management and e-permitting system for State Building Codes responsibilities.

The Building Codes Bureau (BCB), in accordance with Title 50, Chapter 60, and Title 50, Chapter 74, MCA, establishes and enforces minimum building (including accessibility), plumbing, mechanical, electrical, energy, elevator, and boiler codes used by state and local governments in Montana. Additionally, BCB sets operating standards, provides technical assistance and annual certification to local governments (ARM 24.301.207 (1) through (4)).

In addition to the state, there are currently 46 local building departments, known in Montana as Certified Local Governments (certified cities, counties and towns), that issue and track building-related permits and conduct plan reviews and inspections using a variety of manual and technology-enabled systems.

The BCB is responsible for reviewing annual reports, and conducting performance audits, for each local jurisdiction as a requirement of continuing certification.

The primary goal of this project is to acquire a data management and customer service system to better serve the needs of the citizens of Montana, the design-build community and the Department of Labor and Industry.

In response to this identified requirement, the BCB has initiated a process of conducting an internal business process analysis and system requirement evaluation to provide business and technical services related to a comprehensive statewide data management and e-permitting system and solicited a Request for Proposal.

Amount Requested: \$2.4 million which was appropriated and approved in the 2009 Legislative session.

The department received various RFP responses during the fall of 2009 and awarded and signed a contract with Accela in December 2009.

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going):

Substantially completed (target date for go live is October 2010).

Funding (funded, not funded, or partially funded): Funded.

Initiative 4 - Title: Licensing Standards System

Description: This system is designed to provide to the licensing bureaus (Business and Occupational Licensing and the Health Care Licensing) business and technical services related to a comprehensive data management and e-government licensing for the 40 boards/programs and the approximately 150 license types.

The Business Standards Division (BSD) within the Department of Labor and Industry is charged with licensing and regulating persons and business engaged in specific professions and occupations within Title 37 of the Montana Code Annotated (MCA).

The primary goal of this project is to acquire a system that is very comprehensive in that it will include the ability to track all data from the original application to the issuance of the license and provide additional services to the licensees and also the citizens of Montana via e-government.

In response to this identified requirement, the BSD initiated a process of conducting an internal business process analysis and system requirement evaluation to provide business and technical services related to a

comprehensive statewide data management and e-government system. BSD amended the contract with Accela above in February 2010.

Amount Requested: \$2.25 million which was appropriated and approved in the 2009 legislative session.

EPP Number (if applicable): Not yet assigned

Status (completed, substantially completed, deferred, delayed, cancelled, or on-going):

On-going (target date for go live is March 2011)

Funding (funded, not funded, or partially funded): Funded.

SECTION 3: ADDITIONAL INFORMATION - OPTIONAL